H. E. Americo d’Oliveira do Ramos  
Minister of Finance, Trade and the Blue Economy  
Ministry of Finance, Trade and the Blue Economy  
São Tomé  
São Tomé and Príncipe

Excellency,

Re: Sao Tome and Príncipe Household & Budget Survey Project  
TFSCB Grant No. TF0A4142

Additional Instructions: Disbursement Letter

I refer to the Grant Agreement ("Agreement") between Republic of Sao Tome and Príncipe ("Recipient") and International Bank for Reconstruction and Development and International Development Association ("World Bank"), acting as administrator of grant funds provided by various donors ("Donors") under the Trust Fund for Statistical Capacity Building-III for the above-referenced Project of the same date, herewith. The Agreement provides that the World Bank may issue additional arrangements regarding the withdrawal of the proceeds of Grant No. TF0A4142 ("Grant"). This letter ("Disbursement Letter"), as revised from time to time, constitutes the additional instructions.

The attached World Bank Disbursement Guidelines for Projects, dated May 1, 2006, ("Disbursement Guidelines") (Attachment 1), are an integral part of the Disbursement Letter. The manner in which the provisions in the Disbursement Guidelines apply to the Grant is specified below. Sections and subsections in parentheses below refer to the relevant sections and subsections in the Disbursement Guidelines and, unless otherwise defined in this letter, the capitalized terms used have the meanings ascribed to them in the Disbursement Guidelines.

I. Disbursement Arrangements

(i) Disbursement Methods (section 2). The following Disbursement Methods may be used under the Grant:

- Reimbursement
- Advance
- Direct Payment
- Special Commitment

(ii) Disbursement Deadline Date (subsection 3.7). The Disbursement Deadline Date is 4 (Four) months after the Closing Date specified in the Agreement. Any changes to this date will be notified by the World Bank.
(iii) **Disbursement Conditions (subsection 3.8).** Please refer to the Disbursement Condition(s) in the Agreement.

II. Withdrawal of Grant Proceeds

(i) **Authorized Signatures (subsection 3.1).** A letter in the Form attached (Attachment 2) should be furnished to the World Bank at the address indicated below providing the name(s) and specimen signature(s) of the official(s) authorized to sign Applications:

The World Bank  
Largo Albano Machado, 23/25  
Luanda, Angola  
Attention: Elisabeth Huybens, Country Director for São Tomé and Príncipe

(ii) **Applications (subsections 3.2 - 3.3)** Please provide completed and signed applications for withdrawal, together with supporting documents to the address indicated below:

The World Bank  
Delta Centre, 13th Floor,  
Menengai Road  
Nairobi, Kenya  
Tel: +254 20 2936 000  
Attention: Loan Operations

(iii) **Electronic Delivery (subsection 3.4)** The World Bank may permit the Recipient to electronically deliver to the World Bank Applications (with supporting documents) through the World Bank’s Client Connection, web-based portal. The option to deliver Applications to the World Bank by electronic means may be effected if: (a) the Recipient has designated in writing, pursuant to the terms of subparagraph (i) of this Section, its officials who are authorized to sign and deliver Applications and to receive secure identification credentials ("SIDC") from the World Bank for the purpose of delivering such Applications by electronic means; and (b) all such officials designated by the Recipient have registered as users of Client Connection. If the World Bank agrees, the World Bank will provide the Recipient with SIDC for the designated officials. Following which, the designated officials may deliver Applications electronically by completing Form 2380, which is accessible through Client Connection (https://clientconnection.worldbank.org). The Recipient may continue to exercise the option of preparing and delivering Applications in paper form. The World Bank reserves the right and may, in its sole discretion, temporarily or permanently disallow the electronic delivery of Applications by the Recipient.

(iv) **Terms and Conditions of Use of SIDC to Process Applications.** By designating officials to use SIDC and by choosing to deliver the Applications electronically, the Recipient confirms through the authorized signatory letter its agreement to: (a) abide by the *Terms and Conditions of Use of Secure Identification credentials in connection with Use of Electronic Means to Process Applications and Supporting Documentation* ("Terms and Conditions of Use of Secure Identification Credentials") provided in Attachment 3; and (b) to deliver the Terms and Conditions of Use of Secure Identification Credentials to each such official and to cause such official to abide by those terms and conditions.

(v) **Minimum Value of Applications (subsection 3.5).** The Minimum Value of Applications will be USD 50,000 for Direct payment and Reimbursement applications.
Advances (sections 5 and 6).

- **Type of Designated Account (subsection 5.3):** Segregated
- **Currency of Designated Account (subsection 5.4):** US Dollar (USD)
- **Financial Institution at which the Designated Account Will Be Opened (subsection 5.5):** Banco Internacional de Sao Tome e Principe (BISTP)
- **Ceiling (subsection 6.1):** USD 100,000

III. Reporting on Use of Grant Proceeds

(i) **Supporting Documentation (section 4).** Supporting documentation should be provided with each application for withdrawal as set out below:

- **For requests for Reimbursement:**
  - List of payments against contracts that are subject to Association’s Prior review, in the form attached (Attachment 5).
  - Statement of Expenditures in the form attached for all other claims (attachment 5).

- **For reporting eligible expenditures paid from the Designated Account:**
  - List of payments against contracts that are subject to Association’s Prior review, in the form attached (Attachment 5).
  - Statement of Expenditures in the form attached for all other claims (attachment 5).
  - A reconciliation of the Designated Account, in the form attached (Attachment 6), with a copy of the bank statement.

- **For requests for Direct Payment:** records evidencing eligible expenditures, e.g., copies of receipts, supplier invoices

- **For requests for Special Commitment:** Letter of credit and a copy of Pro-forma invoice

IV. Other Disbursement Instructions:

NIL.

V. Other Important Information

If you have not already done so, the World Bank recommends that you register as a user of the Client Connection website (https://clientconnection.worldbank.org). From this website you will be able to download Applications, monitor the near real-time status of the Grant, and retrieve related policy, financial, and procurement information. All Recipient officials authorized to sign and deliver Applications by electronic means are required to register with Client Connection before electronic delivery can be effected. For more information about the website and registration arrangements, please contact the World Bank at <clientconnection@worldbank.org>.

If you have any queries in relation to the above, please contact Vidya Narasimhan, Finance Officer at wfald-tf@worldbank.org using the above reference.

Very truly yours,

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT
AND
INTERNATIONAL DEVELOPMENT ASSOCIATION

[Signature]

BP. 1128, Mindelo

Country Director, Cabo Verde and Principe